

MONTHLY FINANCIAL REPORT FOR CORPORATE OR PARTNERSHIP DEBTOR

Case No.	<u>09-20780-KAO</u>	Report Month/Year	<u>02/2010</u>
Debtor	<u>The Cascadia Project LLC</u>		

INSTRUCTIONS: The debtor's monthly financial report shall include a cover sheet signed by the debtor and all UST forms and supporting documents. Exceptions, if allowed, are noted in the checklist below. Failure to comply with the reporting requirements of Local Bankruptcy Rule 2015-2(a), or the United States Trustee's reporting requirements, is cause for conversion or dismissal of the case.

The debtor has provided the following with this monthly financial report: Yes No

UST-12	Comparative Balance Sheet, or debtor's balance sheet. The debtor's balance sheet, if used, shall include a breakdown of pre- and post-petition liabilities. The breakdown may be provided as a separate attachment to the debtor's balance sheet.	<input checked="" type="checkbox"/> <input type="checkbox"/>
UST-13	Comparative Income Statement, or debtor's income statement.	<input checked="" type="checkbox"/> <input type="checkbox"/>
UST-14	Summary of Deposits and Disbursements	<input type="checkbox"/> <input type="checkbox"/>
UST-14 Continuation Sheets	Statement(s) of Cash Receipts and Disbursements A Continuation Sheet shall be completed for each bank account or other source of debtor funds and shall include a monthly bank statement and all supporting documents described in the instructions.	<input checked="" type="checkbox"/> <input type="checkbox"/>
UST-15	Statement of Aged Receivables A detailed accounting of aged receivables shall be provided on, or in an attachment to, UST-15.	<input checked="" type="checkbox"/> <input type="checkbox"/>
UST-16	Statement of Aged Post-Petition Payables A detailed accounting of aged post-petition payables shall be provided on, or in an attachment to, UST-16.	<input checked="" type="checkbox"/> <input type="checkbox"/>
UST-17	Other Information When applicable, attach supporting documents such as an escrow statement for the sale of real property or an auctioneer's report for property sold at auction. When changes or renewals of insurance occur, attach a copy of the new certificate of insurance or a copy of the bond.	<input checked="" type="checkbox"/> <input type="checkbox"/>

CONTACT INFORMATION

Who is the best person to contact if the UST has questions about this report?

Name	<u>Scott Wu</u>
Telephone	<u>(425)646-3037</u>
Email	<u>wuk@cascadiacorp.com</u>

DEBTOR'S CERTIFICATION

INSTRUCTIONS: The debtor, or trustee, if appointed, must answer questions 1 and 2 and sign this financial report where indicated below. Only an officer or director has authority to sign a financial report for a corporate debtor and only a general partner has authority to sign a financial report for a partnership debtor. Debtor's counsel may not sign a financial report for the debtor.

Question 1 At month end, was the debtor delinquent on any post-petition tax obligation?

Yes No

If yes, list each delinquent post-petition tax obligation on page 9.

Question 2 For purposes of calculating the debtor's obligation under 28 U.S.C. 1130(a)(6) to pay a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** this month from all sources were:

Complete page 6 to calculate **TOTAL DISBURSEMENTS** and enter the total here.

\$ 350,875.09

I certify under penalty of perjury that other information contained in this monthly financial report is complete, true, and accurate to the best of my knowledge, information, and belief.

Debtor's signature

Date 3-15-10

Monthly Financial Reports
(due on the 15th of the subsequent month)

Original Place of Filing:

Seattle, WA ▼

Tacoma, WA ▼

File the original with the court:

United States Bankruptcy Court
United States Courthouse
700 Stewart Street, Suite 6103
Seattle, WA 98101

File the original with the court:

United States Bankruptcy Court
1717 Pacific Avenue, Suite 2100
Tacoma, WA 98402

AND serve a copy on each of the following:

- Each member of any committees elected or appointed pursuant to the Bankruptcy Code, and to their authorized agents.
- Debtor's counsel.

NOTE: If the report is electronically filed with the Court, the United States Trustee will be served automatically. There is no need to serve an additional copy on the United States Trustee.

UST-12, COMPARATIVE BALANCE SHEET

Please see attached Balance Sheet

As of month ending			
ASSETS			
Current Assets			
Cash			
Cash - Held by Others (Escrow & Attorney Trust Accounts)			
Accounts Receivable (net)			
Notes Receivable			
Inventory			
Prepaid Expenses			
Other (attach list)			
Total Current Assets			
Fixed Assets			
Real Property/Buildings			
Equipment			
Accumulated Depreciation			
Total Fixed Assets			
Other Assets (attach list)			
TOTAL ASSETS			
LIABILITIES			
Post-Petition Liabilities			
Taxes Payable			
Other Accounts Payables			
Notes Payable			
Rents, Leases & Mortgages Payable			
Accrued Interest			
Other (specify)			
Total Post-Petition Liabilities			

(contd. on next page)

UST-12, COMPARATIVE BALANCE SHEET (contd.)

Please see attached Balance Sheet

As of month ending			
Pre-Petition Liabilities			
Unsecured Debt			
Priority Debt:			
Taxes			
Wages			
Deposits			
Other			
Notes Payable (Secured Debt)			
Total Pre-Petition Liabilities			
TOTAL LIABILITIES			
EQUITY			
Stockholders' Equity (Or Deficit)			
Capital Stock			
Paid-In Capital			
Retained Earnings			
Total Stockholders' Equity (Or Deficit)			
Partners' Investment (Or Deficit)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY OR PARTNERS' INVESTMENT			

Footnotes to balance sheet:

The Cascadia Project LLC
 Statements of Assets, Liabilities and Member's Deficit
 Federal Income Tax Basis
 February 28, 2010

	2/28/10	1/31/10
Assets		
Land and improvements	\$ 117,656,561	\$ 117,656,561
Investment in Joint Venture	7,767,634	7,767,634
Cash and cash equivalents	4,951	(10,321)
Escrow - restricted cash	773,993	988,238
Deposits - utility providers	14,820	14,820
Accounts receivable	2,820,000	2,831,249
Due from related parties	1,011,053	1,008,899
Prepaid expenses	195,543	195,543
Equipment, net of depreciation	21,471	21,471
Total assets	\$ 130,266,026	\$ 130,474,094
Liabilities and Member's Deficit		
Pre-petition liabilities:		
Pre-petition liabilities-received after petition filed	\$ 53,745	\$ 53,745
Bank loans (see Note)	69,277,125	69,543,182
Note payable to related party	51,856,421	51,856,421
Real property tax	17,356	17,356
Accounts payable and other accrued expenses	439,241	439,241
Contracts and retentions payable	1,611,547	1,611,547
Due to related party	432,247	432,247
Due to member	1,000,000	1,000,000
Total pre-petition liabilities	124,687,682	124,953,739
Post-petition liabilities:		
Taxes Payable	2,973	1,601
Other Accounts Payable	14,626	17,032
Notes Payable	260,000	173,000
Accrued Interest	3,909	1,795
Total post-petition liabilities	281,508	193,428
Obligation for future costs recognized	9,309,787	9,309,787
Total liabilities	134,278,977	134,456,954
Member's deficit	(4,012,951)	(3,982,860)
Total liabilities and member's deficit	\$ 130,266,026	\$ 130,474,094

Note: The balance for bank loans is as of February 28, 2009, the date of the most recent accounting provided by the bank, less subsequent principal payments of \$2,500,000.

UST-13, COMPARATIVE INCOME STATEMENT

Please see attached Income Statement

For the month of <input type="text"/>			
GROSS SALES			
Less: Returns and Allowances			
Net Sales			
Cost of Sales: Beginning Inventory Add: Purchases Less: Ending Inventory Cost of Goods Sold			
GROSS MARGIN			
Other Operating Expenses:			
Officers' Salaries			
Other Salaries/Direct Labor			
Employee Benefits/Payroll Taxes			
Insurance			
Rent			
General and Administrative			
NET OPERATING PROFIT (LOSS)			
Add: Other Income			
Less: Interest Expense			
Other Adjustments to Income (Explain)			
Gain (Loss) on Sale of Assets			
Net Profit (Loss) Before Taxes			
Income Taxes			
NET PROFIT (LOSS)			

Notes:

The Cascadia Project LLC
 Statements of Revenues, Expenses and Member's Deficit
 Federal Income Tax Basis
 For the period ended February 28, 2010

	2/28/10	1/31/10
Revenue from easement sale	548,750	548,750
Cost of property sold and selling costs	<u>(1,671)</u>	<u>(1,671)</u>
Gross profit	547,079	547,079
Operating expenses:		
Interest and bank charges (see Note)	16,625	4,625
Consulting and marketing	801	25
Insurance	84,718	27,966
Real estate taxes	9,759	4,496
Salaries and payroll	36,195	28,414
Security	2,277	1,067
Legal and accounting	To be determined	To be determined
Office and administrative	150,375	66,593
Travel and entertainment	396,704	480,486
Advertising and promotion		
Less IRC 263(A) costs allocated to land and improvements	To be determined	To be determined
Total expenses	134,630	80,938
Loss from operations	531,333	561,424
Other income (expenses):		
Interest income	4,538	2,384
Other interest expense - post-petition	<u>(3,544)</u>	<u>(1,430)</u>
Timber harvesting revenue	131,933	79,924
Other income	1,703	60
Depreciation and amortization	To be determined	To be determined
Contributions	(4,544,284)	(4,544,284)
Net profit (loss)	(4,012,951)	(3,982,860)
Member's deficit, beginning of year		
Capital contributions, net		
Member's deficit, end of this period		

Note: Includes bank interest through February 28, 2009, the date of the most recent accounting provided by the bank.

UST-14, SUMMARY OF DEPOSITS & DISBURSEMENTS

INSTRUCTIONS: BEFORE COMPLETING THIS PAGE, prepare a UST-14 CONTINUATION SHEET (see next page) for each bank account or other source of the debtor's funds. The deposit and disbursement total from each CONTINUATION SHEET will be used to complete this SUMMARY.

The debtor is responsible for providing an accurate monthly disbursement total for the purpose of calculating its obligation pursuant to 28 U.S.C. § 1930 (a)(6) to pay statutory fees to the United States Trustee. The disbursement total encompasses all payments made by the bankruptcy estate during the reporting month, whether made directly by the debtor or by another party for the debtor. It includes checks written and cash payments for inventory and equipment purchases, payroll and related taxes and expenses, other operating costs, and debt reduction. It also includes payments made pursuant to joint check arrangements and those resulting from a sale or liquidation of the debtor's assets. The only transactions normally excluded from the disbursement total are transfers within the same reporting month between multiple debtor accounts.

A fee payment is due within 30 days after the end of each calendar quarter, or on April 30, July 31, October 31, and January 31, respectively. Since the amount billed is an estimate, the debtor is responsible for paying the correct statutory fee based on its actual disbursements for the calendar quarter, or portion thereof the debtor was in Chapter 11. Failure to pay statutory fees to the United States Trustee is cause for conversion or dismissal of the case. A copy of the statutory fee schedule may be found on the United States Trustee's website located at: www.usdoj.gov/ust/r18/s_library.htm

If you have questions computing the disbursement total, contact the Bankruptcy Analyst assigned to your case at (206) 553-2000.

Summary of Deposits This Month

Deposits from UST-14 Continuation Sheet(s)	151,900.02
Cash receipts not included above (if any)	
TOTAL RECEIPTS	151,900.02

Summary of Disbursements This Month

Disbursements from UST-14 Continuation Sheet(s)	350,875.09
Disbursements resulting from asset sales out of the ordinary course (see Page 13, Question 1)	
Disbursements made by other parties for the debtor (if any, explain)	
	Note: Enter the amount for TOTAL DISBURSEMENTS here and on Page 2.
TOTAL DISBURSEMENTS	350,875.09
NET CASH FLOW (TOTAL RECEIPTS MINUS TOTAL DISBURSEMENTS)	(\$198,975.07)

At the end of this reporting month, did the debtor have any delinquent statutory fees owing to the United States Trustee? Yes No If "Yes", list each quarter that is delinquent and the amount due.

(UST-14 CONTINUATION SHEETS, with attachments, should follow this page.)

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington Checking Account # <u>2367</u>
Purpose of this account (select one): <input checked="" type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input type="checkbox"/> Other (explain) _____		
Beginning cash balance		<u>(\$10,349.57)</u>
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		<u>12,891.39</u>
Financing or other loaned funds (identify source)		<u>Y.K. Chen</u> <u>87,000.00</u>
Total cash available this month		<u>89,541.82</u>
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		<u>84,621.80</u>
Adjustments, if any (explain)		
Ending cash balance		<u>4,920.02</u>
Does this CONTINUATION SHEET include the following supporting documents, as required:		
<input checked="" type="checkbox"/> A monthly bank statement (or trust account statement);		
<input checked="" type="checkbox"/> A detailed list of receipts for that account (deposit log or receipts journal);		
<input checked="" type="checkbox"/> A detailed list of disbursements for that account (check register or disbursement journal); and,		
<input type="checkbox"/> If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.		
Yes No		

THE
COMMERCE
BANK
OF WASHINGTON

007 00001 00
ACCOUNT:

PAGE: 1
12367 02/26/2010

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ENTERED

MAR 05 2010

MAR 12 2010

CASCADIA PROJECT

The Cascadia Project, LLC
11232 NE 15th Street #201
Bellevue WA 98004-3719

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

=====
Checking ACCOUNT 12367
=====

LAST STATEMENT	01/29/10	2,650.75-
6 CREDITS		99,891.39
32 DEBITS		80,223.16
THIS STATEMENT	02/26/10	17,017.48

----- DEPOSITS -----

REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT	REF #.....DATE.....AMOUNT
02/18 1,642.70 ✓		

----- OTHER CREDITS -----

DESCRIPTION	DATE	AMOUNT
Check #24351 posted on 01/19/ 10 in error	02/01	✓11,248.69✓
ONLINE TRANSFER FROM PERSONAL MONEY MARKET-0739	02/01	✓27,000.00✓
ONLINE TRANSFER FROM PERSONAL MONEY MARKET-0739	02/03	✓15,000.00✓
ONLINE TRANSFER FROM PERSONAL MONEY MARKET-0739	02/12	✓20,000.00✓
ONLINE TRANSFER FROM PERSONAL MONEY MARKET-0739	02/25	✓25,000.00✓

----- CHECKS -----

CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT
545 02/02 ✓4,997.34	549 02/08 ✓3,179.87	553 02/22 ✓1,862.61
546 02/05 ✓3,316.01	550 02/22 ✓4,016.21	554 02/18 ✓1,051.35
547 02/03 ✓1,742.61	551 02/22 ✓4,997.33	555*02/22 ✓3,179.88
548 02/02 ✓1,537.06	552 02/22 ✓3,316.02	10371*02/01 ✓1,033.66
* * * C O N T I N U E D * * *		

THE
COMMERCE
BANK
OF WASHINGTON

The Cascadia Project, LLC

007 00001 00
ACCOUNT:

PAGE: 2
2367 02/26/2010

Checking ACCOUNT 2367

CHECKS

CHECK #..		DATE.....	AMOUNT	CHECK #..		DATE.....	AMOUNT	CHECK #..		DATE.....	AMOUNT
10373	02/01	78.24		10382	02/04	325.00		10388	02/05		1,000.00
10374*	02/01	3,481.01		10383	02/04	526.88		10389	02/16		1,200.00
10377	02/02	500.00		10384	02/03	244.07		10390*	02/22		650.00
10378*	02/02	1,625.00		10385	02/04	103.45		10394	02/25		3,559.70
10380	02/11	119.50		10386	02/05	10,000.00					
10381	02/04	9.53		10387	02/08	5,207.02					

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

10379 Völk

• OTHER DEBITS

DESCRIPTION	DATE	AMOUNT
270043200959918 IRS USATAXPYMT	02/01	110.98
270043600519158 IRS USATAXPYMT	02/05	✓6,747.37✓
ATM Debit CK #544	02/08	✓4,016.21✓
270045500147769 IRS USATAXPYMT	02/24	✓6,489.25✓

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

*	±	TOTAL FOR	±	TOTAL	*
*	±	THIS PERIOD	±	YEAR TO DATE	*
*	*	*	*	*	*
* TOTAL OVERDRAFT FEES:	±	.00	±	.00	*
* TOTAL RETURNED ITEM FEES:	±	.00	±	.00	*

DAILY BALANCE

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
02/01	30,894.05	02/08	816.63	02/22	2,066.43
02/02	22,234.65	02/11	697.13	02/24	4,422.82
02/03	35,247.97	02/12	20,697.13	02/25	17,017.48
02/04	34,283.11	02/16	19,497.13		
02/05	13,219.73	02/18	20,088.48		

The Cascadia Project LLC
Checking Account Register
2/1/10-2/28/10

Date	Check#	Vender	Amount
Checking#367			
		Beginning Book Balance 2/1/10	\$ (10,349.57)
2/1/10	EFT	EFTPS	(110.98)
2/1/10	544 S	Patrick Kuo	(4,016.21)
2/1/10	545 S	Steven Ahrens	(4,997.34)
2/1/10	546 S	Thomas Uren	(3,316.01)
2/1/10	547 S	Kun-Feng Scott Wu	(1,742.61)
2/1/10	548 S	Catherine Ozols	(1,537.06)
2/1/10	549 S	John Ladenburg	(3,179.87)
2/1/10	10384	Department of Labor & Industries	(244.07)
2/1/10	10385	Employment Security Department	(103.45)
2/3/10	10386	CreekSide Associates LLC	(10,000.00)
2/3/10	10387 S	MBA Trust	(5,207.02)
2/3/10	10388	Sean Morishige	(1,000.00)
2/5/10	EFT S	EFTPS	(6,747.37)
2/8/10	10389	Marikay Cumpston	(1,200.00)
2/17/10	550 S	Patrick Kuo	(4,016.21)
2/17/10	551 S	Steven Ahrens	(4,997.33)
2/17/10	552 S	Thomas Uren	(3,316.02)
2/17/10	553 S	Kun-Feng Scott Wu	(1,862.61)
2/17/10	554 S	Catherine Ozols	(1,051.35)
2/17/10	555 S	John Ladenburg	(3,179.88)
2/19/10	10390	Sean Morishige	(650.00)
2/24/10	EFT S	EFTPS	(6,489.25)
2/24/10	10391	AICPA	(76.87)
2/24/10	10392	Anolis Corp	(121.14)
2/24/10	10393	AT&T Mobility	(80.38)
2/24/10	10394 S	Charles Lappenbusch Consulting, LLC	(3,559.70)
2/24/10	10395	GE Capital	(61.32)
2/24/10	10396	Integra Telecom	(260.26)
2/24/10	10397	Islander Tech	(450.00)
2/24/10	10398	Murreys Disposal Co, Inc.	(78.24)
2/24/10	10399	National Maintenance Contractors	(345.00)
2/24/10	10400	Pacific Mobile Structures, Inc.	(875.50)
2/24/10	10401	Philadelphia Insurance Companies	(776.25)
2/24/10	10402	Pierce County Security	(2,462.50)
2/24/10	10403 S	Puget Sound Energy	(3,030.62)
2/24/10	10404 S	Public Storage	(300.00)
2/24/10	10405	Sean Morishige	(1,000.00)
2/24/10	10406	Tacoma City Treasurer	(1,825.77)
2/24/10	10407	United Site Services	(131.11)
2/24/10	10408	Water Buffalo Inc.	(222.50)
Total Disbursement 2/1/10-2/28/10			(84,621.80)
2/1/10	TXFR	Y.K. Chen	27,000.00
2/1/10		The Commerce Bank of WA	11,248.69
2/3/10	TXFR	Y.K. Chen	15,000.00
2/12/10	TXFR	Y.K. Chen	20,000.00
2/18/10	DEP	The Hartford	1,642.70
2/24/10	TXFR	Y.K. Chen	25,000.00
Total Funding/Misc. Deposit 1/1/10-1/31/10			99,891.39
Ending Book Balance 1/31/10			\$ 4,920.02

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington Money Market Account # <u>2375</u>
Purpose of this account (select one): <input checked="" type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input type="checkbox"/> Other (explain) _____		
Beginning cash balance		\$0.44
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		
Financing or other loaned funds (identify source)		
Total cash available this month		0.44
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		
Adjustments, if any (explain)		
Ending cash balance		\$0.44
Does this CONTINUATION SHEET include the following supporting documents, as required:		Yes No
A monthly bank statement (or trust account statement);		<input checked="" type="checkbox"/> <input type="checkbox"/>
A detailed list of receipts for that account (deposit log or receipts journal);		<input type="checkbox"/> <input checked="" type="checkbox"/>
A detailed list of disbursements for that account (check register or disbursement journal); and,		<input type="checkbox"/> <input checked="" type="checkbox"/>
If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.		<input type="checkbox"/> <input checked="" type="checkbox"/>

UST-14 CONTINUATION SHEET, Number 2 of 8

THE
COMMERCE
BANK
OF WASHINGTON

007 00001 00
ACCOUNT:

PAGE: 1
2375 02/26/2010

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MAR 02 2010

CASCADIA PROJECT

The Cascadia Project, LLC
11232 NE 15th Street #201
Bellevue WA 98004-3719

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

=====
Money Market ACCOUNT 2375
=====

INTEREST PAID 2009	1,140.64	LAST STATEMENT 01/29/10	.44
MINIMUM BALANCE	.44	CREDITS	.00
AVG AVAILABLE BALANCE	.44	DEBITS	.00
AVERAGE BALANCE	.44	THIS STATEMENT 02/26/10	.44

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

	TOTAL FOR THIS PERIOD	TOTAL YEAR TO DATE	*
* TOTAL OVERDRAFT FEES:	.00	.00	*
* TOTAL RETURNED ITEM FEES:	.00	.00	*

- END OF STATEMENT -

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington DIP-City of Orting Checking Account # <u>7920</u>
Purpose of this account (select one): <input type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input checked="" type="checkbox"/> Other (explain) <u>Restricted Escrow account</u>		
Beginning cash balance		\$113,997.59
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		
Financing or other loaned funds (identify source)		
Total cash available this month		113,997.59
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		
Adjustments, if any (explain)		
Ending cash balance		\$113,997.59
Does this CONTINUATION SHEET include the following supporting documents, as required:		Yes No
<input checked="" type="checkbox"/> A monthly bank statement (or trust account statement); <input type="checkbox"/> A detailed list of receipts for that account (deposit log or receipts journal); <input type="checkbox"/> A detailed list of disbursements for that account (check register or disbursement journal); and, <input type="checkbox"/> If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.		

THE
COMMERCE
BANK
OF WASHINGTON

007 00001 00
ACCOUNT:

PAGE: 1
7920 02/26/2010

H
The Cascadia Project LLC
Debtor in Possession Acct FBO
City of Orting 30
Hold Statement - give to Marj 0
0

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Effective February 27, 2010 the Federal Reserve Bank will make
operational changes that will impact our funds availability policies.
Although the availability of most deposited funds will remain the same,
the amount of time we may place a standard hold on deposits has been
reduced from the fifth business day after the date of deposit to two
business days. Exception holds may be placed for up to seven business
days instead of the previous eleven. Under special circumstances, delays
may apply.
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Checking ACCOUNT 7920

	LAST STATEMENT 01/29/10	113,997.59
MINIMUM BALANCE	113,997.59	CREDITS .00
AVG AVAILABLE BALANCE	113,997.59	DEBITS .00
AVERAGE BALANCE	113,997.59	THIS STATEMENT 02/26/10 113,997.59

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

* ± TOTAL FOR ± TOTAL *
* ± THIS PERIOD ± YEAR TO DATE *
*
* TOTAL OVERDRAFT FEES: ± .00 ± .00 *
*
* TOTAL RETURNED ITEM FEES: ± .00 ± .00 *

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington DIP-Pierce County Sewer Bond Checking Account# <u>7912</u>
Purpose of this account (select one): <input type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input checked="" type="checkbox"/> Other (explain) <u>Restricted escrow account</u>		
Beginning cash balance		\$234,520.73
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		
Financing or other loaned funds (identify source)		
Total cash available this month		\$234,520.73
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		
Adjustments, if any (explain)		
Ending cash balance		\$234,520.73
Does this CONTINUATION SHEET include the following supporting documents, as required: Yes No		
A monthly bank statement (or trust account statement); <input checked="" type="checkbox"/> <input type="checkbox"/>		
A detailed list of receipts for that account (deposit log or receipts journal); <input type="checkbox"/> <input checked="" type="checkbox"/>		
A detailed list of disbursements for that account (check register or disbursement journal); and, <input type="checkbox"/> <input checked="" type="checkbox"/>		
If applicable, a detailed list of funds received and/or disbursed by another party for the debtor. <input type="checkbox"/> <input checked="" type="checkbox"/>		

THE
COMMERCE
BANK
OF WASHINGTON

007 00001 00
ACCOUNT:

PAGE: 1
7912 02/26/2010

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MAR 08 2010

CASCADIA PROJECT

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The Cascadia Project LLC
Debtor in Possession Acct FBO
Pierce Cty Pub Works & Utility
Hold Statement - give to Marj

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

=====
Checking ACCOUNT 7912
=====

	LAST STATEMENT 01/29/10	234,520.73
MINIMUM BALANCE	234,520.73	CREDITS .00
AVG AVAILABLE BALANCE	234,520.73	DEBITS .00
AVERAGE BALANCE	234,520.73	THIS STATEMENT 02/26/10 234,520.73

--- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES ---

*	±	TOTAL FOR	±	TOTAL	*
*	±	THIS PERIOD	±	YEAR TO DATE	*
---	---	---	---	---	---
* TOTAL OVERDRAFT FEES:	±	.00	±	.00	*
---	---	---	---	---	---
* TOTAL RETURNED ITEM FEES:	±	.00	±	.00	*
*****	*****	*****	*****	*****	*****

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

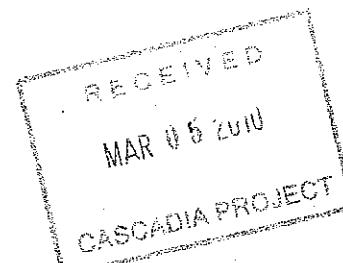
INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington DIP-O Parcel Timber Proceeds Checking Account # <u>8919</u>
Purpose of this account (select one):		
<input type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input checked="" type="checkbox"/> Other (explain) <u>Segregated account for non-collateralized timber proceeds</u>		
Beginning cash balance		\$12,716.71
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		
Financing or other loaned funds (identify source)		
Total cash available this month		12,716.71
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		196.29
Adjustments, if any (explain)		
Ending cash balance		\$12,520.42
Does this CONTINUATION SHEET include the following supporting documents, as required:		
Yes No <input checked="" type="checkbox"/> A monthly bank statement (or trust account statement); <input type="checkbox"/> A detailed list of receipts for that account (deposit log or receipts journal); <input checked="" type="checkbox"/> A detailed list of disbursements for that account (check register or disbursement journal); and, <input type="checkbox"/> If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.		

THE
COMMERCE
BANK
OF WASHINGTON

007 00001 00
ACCOUNT:

PAGE: 1
8919 02/26/2010



ENTERED
MAR 12 2010

The Cascadia Project, LLC
C/O Kuo & Co.
O Parcel Timber Proceeds
11232 NE 15th Street #201
Bellevue WA 98004-3719

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

Checking ACCOUNT 8919

	LAST STATEMENT 01/29/10	12,716.71 ✓
MINIMUM BALANCE	12,520.42	.00
AVG AVAILABLE BALANCE	12,548.46	1 DEBITS 196.29 ✓
AVERAGE BALANCE	12,548.46	THIS STATEMENT 02/26/10 12,520.42 ✓

----- CHECKS -----
CHECK #..DATE.....AMOUNT CHECK #..DATE.....AMOUNT CHECK #..DATE.....AMOUNT
02/03 196.29

----- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES -----

*	±	TOTAL FOR	±	TOTAL	*
*	±	THIS PERIOD	±	YEAR TO DATE	*
*	±		±		*
* TOTAL OVERDRAFT FEES:	±	.00	±	.00	*
*	±		±		*
* TOTAL RETURNED ITEM FEES:	±	.00	±	.00	*
*****					*****

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
02/03	12,520.42				



February 1, 2010

State of Washington
Department of Revenue
PO Box 34053
Seattle, WA 98124-1053

To whom it may concern,

The Cascadia Project LLC filed for Chapter 11 reorganizations on October 15, 2009 (Case No.09-20780). Therefore, at this time, we are submitting payment for only the post-petition tax liability of \$196.29.

Post-petition Tax Calculation:

Gross Timber Revenue (post-petition) \$57,328.58 x 0.003424 = \$196.29.

Best regards,

Scott Wu
Associate Controller

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington DIP-General Timber Proceeds Checking Account # <u>9818</u>
Purpose of this account (select one): <input type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input checked="" type="checkbox"/> Other (explain) <u>Timber proceeds</u>		
Beginning cash balance		\$79,924.41
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account <u>Timber Proceeds</u>		52,008.63
Financing or other loaned funds (identify source)		
Total cash available this month		131,933.04
Subtract: Transfers out to other estate bank accounts		
Cash disbursements from this account (total checks written plus cash withdrawals, if any)		
Adjustments, if any (explain)		
Ending cash balance		\$131,933.04
Does this CONTINUATION SHEET include the following supporting documents, as required: Yes No		
A monthly bank statement (or trust account statement); <input checked="" type="checkbox"/> <input type="checkbox"/>		
A detailed list of receipts for that account (deposit log or receipts journal); <input checked="" type="checkbox"/> <input type="checkbox"/>		
A detailed list of disbursements for that account (check register or disbursement journal); and, <input type="checkbox"/> <input checked="" type="checkbox"/>		
If applicable, a detailed list of funds received and/or disbursed by another party for the debtor. <input type="checkbox"/> <input checked="" type="checkbox"/>		

THE
COMMERCE
BANK
OF WASHINGTON

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ACCOUNT:

PAGE: 1

9818 02/26/2010

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MAR 05 2010

ENTERED

CASCADIA PROJECT

MAR 12 2010

The Cascadia Project, LLC
C/O Kuo & Co.
General Timber Proceeds
11232 NE 15th Street #201
Bellevue WA 98004-3719

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

Checking ACCOUNT 9818

	LAST STATEMENT 01/29/10	79,924.41✓
MINIMUM BALANCE	1 CREDITS	52,008.63✓
AVG AVAILABLE BALANCE	DEBITS	.00
AVERAGE BALANCE	THIS STATEMENT 02/26/10	131,933.04 ✓

----- DEPOSITS -----
REF #.....DATE.....AMOUNT REF #.....DATE.....AMOUNT REF #.....DATE.....AMOUNT
02/18 52,008.63 ✓

----- ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES -----

*	±	TOTAL FOR	±	TOTAL	*
*	±	THIS PERIOD	±	YEAR TO DATE	*
*	-----	-----	-----	-----	-----
* TOTAL OVERDRAFT FEES:	±	.00	±	.00	*
*	-----	-----	-----	-----	-----
* TOTAL RETURNED ITEM FEES:	±	.00	±	.00	*
*****	*****	*****	*****	*****	*****

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
02/18	131,933.04				

The Cascadia Project LLC

General Timber Proceeds

2/1/10-2/28/10

2/18/10	DEP	S	Manke Lumber Company Inc.	Timber 12/29/09-12/30/09 ck#507610	2,083.00
2/18/10	DEP	S	Manke Lumber Company Inc.	Timber 1/18/10-1/22/10 ck#507551	13,024.40
2/18/10	DEP	S	Edman Company	Timber 1/18/10-1/22/10 ck#29699	2,744.08
2/18/10	DEP	S	Manke Lumber Company Inc.	Timber 1/25/10-1/29/10 ck#507625	13,087.80
2/18/10	DEP	S	Edman Company	Timber 1/25/10-1/29/10 ck#29754	248.19
2/18/10	DEP	S	Manke Lumber Company Inc.	Timber 2/1/10-2/5/10 ck#507715	17,314.60
2/18/10	DEP	S	Edman Company	Timber 2/1/10-2/5/10 ck#29805	3,506.56

TOTAL 2/1/10-2/28/10

\$ 52,008.63

UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

INSTRUCTIONS: Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name Account number	⇒ ⇒	The commerce Bank of Washington DIP-PSE Easement Checking Account # <u>9915</u>
Purpose of this account (select one): <input type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input checked="" type="checkbox"/> Other (explain) <u>Easement sale</u>		
Beginning cash balance		\$547,079.41
Add: Transfers in from other estate bank accounts		
Cash receipts deposited to this account		
Financing or other loaned funds (identify source)		
Total cash available this month		547,079.41
Subtract: Transfers out to other estate bank accounts Payment to HomeStreet Bank Cash disbursements from this account (total checks written plus cash withdrawals, if any)		266,057.00
Adjustments, if any (explain)		
Ending cash balance		\$281,022.41
Does this CONTINUATION SHEET include the following supporting documents, as required:		
Yes No <input checked="" type="checkbox"/> A monthly bank statement (or trust account statement); <input type="checkbox"/> A detailed list of receipts for that account (deposit log or receipts journal); <input type="checkbox"/> A detailed list of disbursements for that account (check register or disbursement journal); and, <input type="checkbox"/> If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.		

THE
COMMERCE
BANK
OF WASHINGTON

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ACCOUNT:

PAGE: 1
9915 02/26/2010

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MAR 05 2010
CASCADIA PROJECT

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MAR 12 2010

The Cascadia Project, LLC
C/O Kuo & Co.
PSE Easement
11232 NE 15th Street #201
Bellevue WA 98004-3719

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Effective February 27, 2010 the Federal Reserve Bank will make operational changes that will impact our funds availability policies. Although the availability of most deposited funds will remain the same, the amount of time we may place a standard hold on deposits has been reduced from the fifth business day after the date of deposit to two business days. Exception holds may be placed for up to seven business days instead of the previous eleven. Under special circumstances, delays may apply.

Checking ACCOUNT 9915

	LAST STATEMENT 01/29/10	547,079.41✓
MINIMUM BALANCE	281,022.41	.00
AVG AVAILABLE BALANCE	300,026.48	1 DEBITS 266,057.00
AVERAGE BALANCE	300,026.48	THIS STATEMENT 02/26/10 281,022.41✓

DESCRIPTION	DATE	AMOUNT
OWT HOMESTREET BANK THE CASCADIA PROJECT LLC CHAPTER 11	02/01	266,057.00✓
BANKRUPTCY 09-20780 11 U		

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

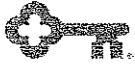
*	±	TOTAL FOR	±	TOTAL	*
*	±	THIS PERIOD	±	YEAR TO DATE	*
*	±		±		*
* TOTAL OVERDRAFT FEES:	±	.00	±	.00	*
*	±		±		*
* TOTAL RETURNED ITEM FEES:	±	.00	±	.00	*
*****					*****

- - - - - DAILY BALANCE - - - - -

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
02/01	281,022.41				

**UST-14, CONTINUATION SHEET
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS****INSTRUCTIONS:** Prepare a CONTINUATION SHEET for each bank account or other source of the debtor's funds and attach supporting documents as indicated on the checklist below.

Depository (bank) name <input type="button" value="⇒"/> Account number <input type="button" value="⇒"/>	KeyBank Money Market Account # <input type="text" value="6012"/>
Purpose of this account (select one): <input checked="" type="checkbox"/> General operating account <input type="checkbox"/> General payroll account <input type="checkbox"/> Tax deposit account (payroll, sales, gambling, or other taxes) <input type="checkbox"/> Other (explain) _____	
Beginning cash balance	\$21.84
Add: Transfers in from other estate bank accounts	
Cash receipts deposited to this account	
Financing or other loaned funds (identify source)	
Total cash available this month	21.84
Subtract: Transfers out to other estate bank accounts	
Cash disbursements from this account (total checks written plus cash withdrawals, if any)	
Adjustments, if any (explain)	
Ending cash balance	\$21.84
Does this CONTINUATION SHEET include the following supporting documents, as required: Yes No	
<input checked="" type="checkbox"/> A monthly bank statement (or trust account statement);	
<input type="checkbox"/> A detailed list of receipts for that account (deposit log or receipts journal);	
<input type="checkbox"/> A detailed list of disbursements for that account (check register or disbursement journal); and,	
<input type="checkbox"/> If applicable, a detailed list of funds received and/or disbursed by another party for the debtor.	



KeyBank
P.O. Box 22114
Albany, NY 12201-2114

Business Banking Statement
February 28, 2010
page 1 of 2



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CASCADIA PROJECT

7295

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T 0260 00000 R EM T1
THE CASCADIA PROJECT LLC
11232 NE 15TH ST SUITE 201
BELLEVUE WA 98004-3739

Questions or comments?
Call our Key Business Resource Center
1-888-KEY4BIZ (1-888-539-4249)

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Access your available accounts, transfer funds and view your transactions right from your PC.*

Key Business Gold Money Market Svgs 7295
THE CASCADIA PROJECT LLC

Beginning balance 1-31-10	\$21.84
Ending balance 2-28-10	\$21.84

Interest
earned

Current Interest Rate	variable
Number of days this statement period	28
Interest earned (2009)	\$5,009.41

7295 - 04731

3853

UST-14, SUMMARY OF DISBURSEMENTS (contd.)**Payments on Pre-Petition Unsecured Debt (requires court approval)**

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month on pre-petition unsecured debt? Yes No If "Yes", list each payment.

Payee's name	Nature of payment	Payment date	Payment amount	Date of court approval

Payments to Attorneys and Other Professionals (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to a professional such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or other professional person? Yes No If "Yes", list each payment.

Professional's name	Type of work performed	Payment date	Payment amount	Date of court approval

Payments to an Officer, Director, Partner, or Other Insider of The Debtor

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to an officer, director, partner, or other insider of the debtor? Yes No If "Yes", list each payment.

Payee's name	Relationship to debtor	Payment date	Payment amount	Purpose of payment
Patrick Kuo	Managing Member	2/1/10	5,000	Salary
Patrick Kuo	Managing Member	2/17/10	5,000	Salary
Steven Ahrens	CFO	2/1/10	6,250	Salary
Steven Ahrens	CFO	2/17/10	6,250	Salary
John Ladenburg	COO	2/1/10	4,379	Salary
John Ladenburg	COO	2/17/10	4,379	Salary

INSTRUCTIONS: Use the last column to describe the purpose of each payment, such as gross wages or salary, reimbursement for business expenses, loan repayment, advance, draw, bonus, dividend, stock distribution, or other reason for the payment(explain).

UST-15, STATEMENT OF AGED RECEIVABLES

INSTRUCTIONS: Complete all portions of UST-15, STATEMENT OF AGED RECEIVABLES, unless the debtor asserts the following two statements are true for this reporting month:

- 1) At the beginning of the reporting month, the debtor did not have any uncollected receivables from prior months which includes both pre-petition and post-petition accounts receivable; and,
- 2) During the reporting month, the debtor did not have any receivables activity, including the accrual of new accounts receivable, or the collection or writeoff of accounts receivable from prior months.

Check here if the debtor asserts that both statements are correct and skip to UST-16, STATEMENT OF POST-PETITION PAYABLES, on the next page.

Accounts Receivable Aging

	Balance at month end	Current portion	Past due 31-60 days	Past due 61-90 days	Past due over 90 days	Uncollectible receivables
Pre-petition receivables	3,817,170	3,719,067			98,103	98,103*
Post-petition receivables	13,883	13,883				
TOTALS	3,831,053	3,732,950			98,103	98,103

Explain what efforts the debtor made during this reporting month to collect receivables over 60 days past due.

*These Pre-petition receivables are presently uncollectible

Does the debtor have any accounts receivable due from an officer, director, partner, or other insider of the debtor? No If yes, explain.

Accounts Receivable Reconciliation

Closing balance from prior month	3,840,148
New accounts receivable added this month	2,154
Subtotal	3,842,302
Less accounts receivable collected	11,249
Closing balance for current month	3,831,053

UST-16, STATEMENT OF POST-PETITION PAYABLES
PART A - TAXES

INSTRUCTIONS: Complete both pages of PART A - TAXES unless the debtor asserts the following statement is true for this reporting month:

At the end of this reporting month, the debtor did not have any unpaid post-petition taxes which includes both current and delinquent tax obligations.Check here if the debtor asserts the statement is correct, and skip to PART B - OTHER PAYABLES on Page 10.

Reconciliation of Unpaid Post-Petition Taxes

Type of tax	(1) Unpaid post-petition taxes from prior reporting month	(2) Post-petition taxes accrued this month (new obligations)	(3) Post-petition tax payments made this reporting month	(4) Unpaid post-petition taxes at end of reporting month (Column 1+2-3 = 4)
Federal Taxes				
Employee withholding taxes	0	5,996.20	5,996.20	0
FICA/Medicare--Employee	0	3,620.21	3,620.21	0
FICA/Medicare--Employer	0	3,620.21	3,620.21	0
Unemployment	544.83	232.18	110.98	666.03
State Taxes				
Dept. of Revenue				
Dept. of Labor & Industries	138.50	269.72	244.07	164.15
Empl. Security Dept.	917.90	1,328.77	103.45	2,143.22
Other Taxes				
Local city/county				
Gambling				
Personal property				
Real property				
Other				
Total Unpaid Post-Petition Taxes				\$ 2,973.40

Debtor The Cascadia Project LLC

Case Number	⇒	09-20780
Report Mo/Yr	⇒	02/2010

**UST-16, STATEMENT OF POST-PETITION PAYABLES
PART A - TAXES (contd.)**

Delinquent Tax Reports and Tax Payments (post-petition only)

Explain the reason for any delinquent tax reports or tax payments.

**UST-16, STATEMENT OF POST-PETITION PAYABLES
PART B - OTHER PAYABLES**

INSTRUCTIONS: Complete both pages of PART B - OTHER PAYABLES unless the debtor asserts that this statement is true for this reporting month:

Except for taxes and professional fees disclosed in PART A and PART C of this report, respectively, the debtor has no other unpaid post-petition payables from the current reporting month, or from any prior reporting months.

Check here if the debtor asserts the statement is correct, and skip to PART C - ESTIMATED PROFESSIONAL FEES on Page 12.

Reconciliation of Post-Petition Payables (excluding taxes and professional fees)

Closing balance from prior month	17,033.44
New payables added this month	68,867.10
Subtotal	85,900.54
Less payments made this month	71,274.20
Closing balance for this reporting month	\$ 14,626.34

Breakdown of Closing Balance by Age

Current portion	14,626.34
Past due 1-30 days	
Past due 31-60 days	
Past due 61-90 days	
Past due over 90 days	
Total	\$ 14,626.34

For accounts payable more than 30 days past due, explain why payment has not been made:

**UST-16, STATEMENT OF POST-PETITION PAYABLES
PART B - OTHER PAYABLES (contd.)**

INSTRUCTIONS: List each post-petition payable delinquent more than 30 days. Alternatively, attach the debtor's accounts payable aging report if the report: 1) clearly separates pre-and post-petition accounts payable, and, 2) identifies each delinquent payable by vendor's name, invoice date, invoice amount, and payment due date.

Delinquent Post-Petition Payables (excluding taxes and professional fees)

**UST-16, STATEMENT OF POST-PETITION PAYABLES
PART C - ESTIMATED PROFESSIONAL FEES**

INSTRUCTIONS: Report only post-petition professional fees and expenses. To the extent possible, use billing statements to report the actual amounts due. If billing statements are not available, use the best information available to estimate the fees and costs.

Type of professional	Amount of retainer (if applicable)	Fees and expenses from prior months	Fees and expenses added this month	Total estimated fees and expenses at month end
Debtor's counsel	125,000	170,484.93	43,382.96	213,867.89
Debtor's accountant		4,100		4,100
Debtor's other professional (explain)		148,896	53,540 *	202,436
Trustee's counsel				
Creditors' Committee Counsel		50,057.69	3,882.17	53,939.86
Creditors' Committee other				
Total estimated post-petition professional fees and costs				\$ 474,343.75

*Financial advisor \$50,960
Legal - land use service \$2,580

UST-17, OTHER INFORMATION

INSTRUCTIONS: Answer each question fully and attach additional sheets if necessary to provide a complete response.

Yes **No**

Question 1 - Sale or Abandonment of the Debtor's Assets. Did the debtor, or another party on behalf of the debtor, sell, transfer, or otherwise dispose of any of the debtor's assets during the reporting month? Include only sales out of the ordinary course. *The debtor must attach an escrow statement for each sale of real property and an auctioneer's report for each auction.*

<u>Asset Description</u>	<u>Date of Court Approval</u>	<u>Method of Disposition</u>	<u>Gross Sales Price</u>	<u>Net Proceeds Received (&Date)</u>	<u>Escrow Statement or Auctioneers Report Attached?</u>		
1.							
2.							
3.							
4.							
5.							

Total _____

Any disbursements made from escrow or trust accounts from the proceeds of the above transactions should also be included on the line of UST-14 entitled "Disbursements from sales out of the ordinary course."

Question 2 - Financing. During the reporting month, did the debtor receive any funds from an outside funding source?

<u>Date of Court Approval</u>	<u>Amount</u>	<u>Source of funds</u>	<u>Date Received</u>		

Total _____

Question 3 - Insider Loans/Capital Contributions. During the reporting month, did the debtor receive any funds from an officer, director, partner, or other insider of the debtor?

<u>Date of Court Approval</u>	<u>Amount</u>	<u>Source of funds</u>	<u>Date Received</u>		
1/22/10	27,000	Y.K. Chen	2/1/10		
1/22/10	15,000	Y.K. Chen	2/3/10		
1/22/10	20,000	Y.K. Chen	2/12/10		
1/22/10	25,000	Y.K. Chen	2/25/10		

Total 87,000

UST-17, OTHER INFORMATION

	Yes	No
Question 4 - Insurance and Bond Coverage. Did the debtor renew, modify, or replace any insurance policies during this reporting month?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Renewals: <u>Provider</u> <u>New Premium</u> <u>Is a Copy Attached to this Report?</u>		
Changes: <u>Provider</u> <u>New Premium</u> <u>Is a Copy Attached to this Report?</u>		
Were any insurance policies canceled or otherwise terminated for any reason during the reporting month? If yes, explain.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Were any claims made during this reporting month against the debtor's bond? (Answer "No" if the debtor is not required to have a bond. If yes, explain.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Question 5 - Personnel Changes. Complete the following:		
	Full-time	Part-time
Number of employees at beginning of month	5	1
Employees added		
Employees resigned/terminated		
Number employees at end of month	5	1
Gross Monthly Payroll and Taxes	\$ 53,048.17	
Question 6 - Significant Events. Explain any significant new developments during the reporting month.		
2/2/10 Automatic stay continued until after final hearing, simultaneous with hearing on confirmation of Debtor's plan of reorganization		
2/8/10 Debtor's exclusivity period extended through July 2, 2010		
Question 7 - Case Progress. Explain what progress the debtor made during the reporting month toward confirmation of a plan of reorganization.		
Continued meetings and preparation of a financial model with Obsidian Finance Group. Continuing discussions with potential equity sources, 2 builders for purchase of lots, and the school district for purchase of a 25 acre site. Finalization of terms of a ground lease for a communication tower; discussion with a sand & gravel operator. Meeting with Pierce County staff re options to delay or offload certain mitigation requirements.		